

A New Coverage Marketplace for Kentuckians



Conversation Agreement

- Listen carefully to each other.
- Seek to understand each other's point of view.
- Respect each other's differences.
- No personal attacks.
- All contribute.
- Facilitators will behave as neutrals in the discussion today.
- Evelyn will serve as time keeper and remind us of the ground rules if needed.
- Focus on the agenda at hand; end the meeting on time.

Kentucky Voices for Health Priorities

Building a Healthy Kentucky Together

1. Assure that all Kentuckians have access to high-quality, affordable health care
2. Make prevention a priority for Kentucky's health policies and programs
3. Improve the efficiency and effectiveness of health care for Kentuckians
4. Improve the health of Kentucky's children



Addressing the Changing Landscape of Healthcare in Kentucky

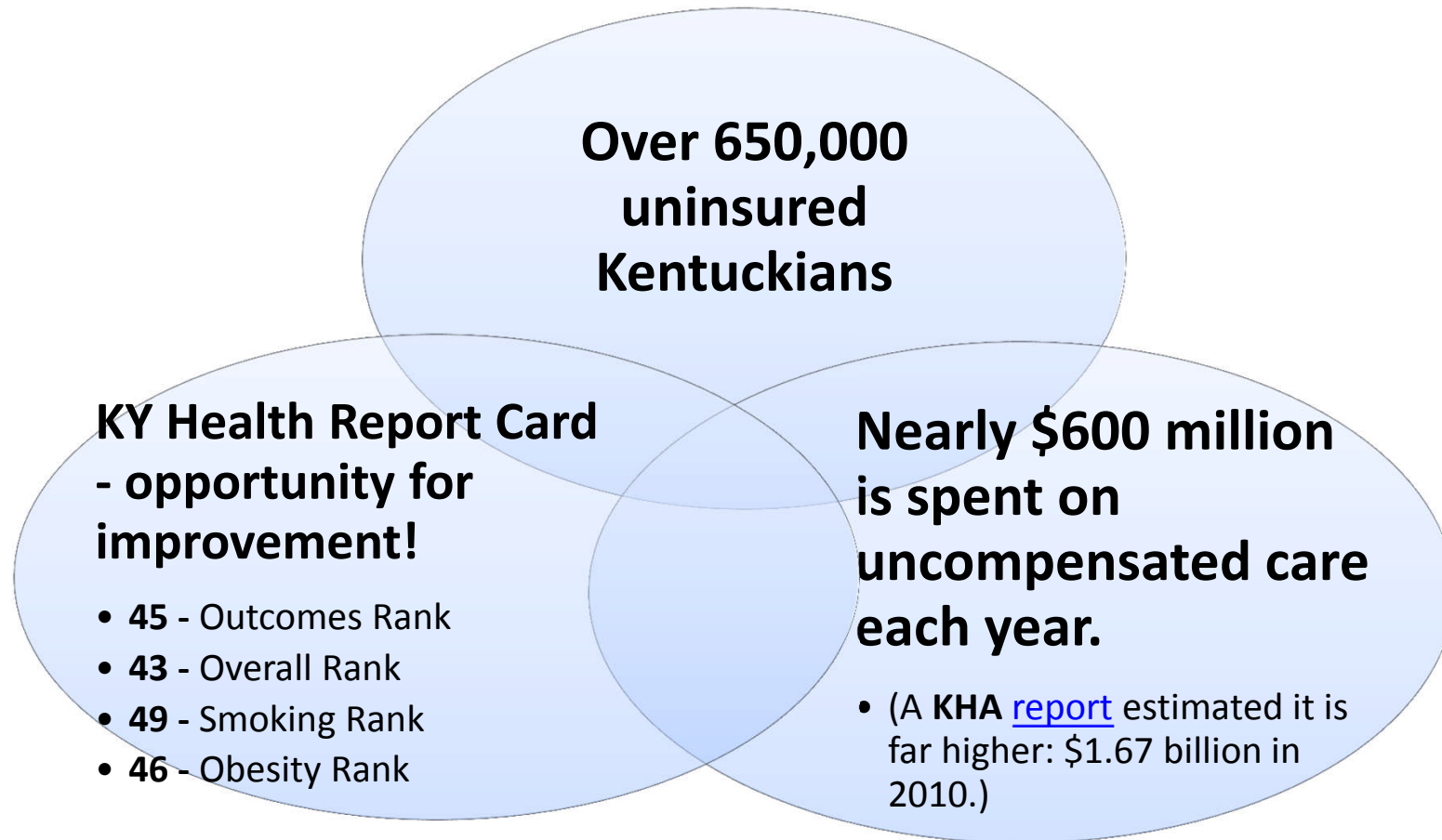
Who Benefits from Health Reform

- **Seniors** – lower prescription costs and free preventive care
- **Small businesses** – tax credits to offset health care costs start right away and increase in the coming years
- **People with chronic conditions** – no lifetime limits on coverage; access to insurance if you have a pre-existing condition
- **Children with pre-existing conditions** – cannot be denied insurance
- **Young adults without insurance** – can stay on their parents' plan up to age 26



Addressing the Changing Landscape of Healthcare in Kentucky

Need for Coverage



Addressing the Changing Landscape of Healthcare in Kentucky

Why is the Exchange good for Kentuckians?

AFFORDABILITY

TRANSPARENCY

ACCESSIBILITY

QUALITY

ACCOUNTABILITY

ASSISTANCE

COMPETITION



Addressing the Changing Landscape of Healthcare in Kentucky

Why is the Exchange good for Kentuckians?

- Offer coverage choices for all, regardless of place of work (Create a safety net for job loss)
- Subsidies to help families
- Tax credits to help small businesses
 - Tax Calculator: <http://www.smallbusinessmajority.com/>
- State-based Exchange can better respond to Kentucky's needs
 - High low income population
 - Poor health rankings



Addressing the Changing Landscape of Healthcare in Kentucky

Community Engagement Needed

Kentuckians need to be
INFORMED AND ACTIVE
to ensure
that health reform is properly
implemented
and responsive to consumers
and community needs.



Addressing the Changing Landscape of Healthcare in Kentucky

Health Insurance Reforms that are Affecting You Now

- Temporary High Risk Pool (PCIP)
- New coverage options for young adults
- No lifetime limits on health benefits
- Coverage for children with pre-existing conditions
- Affordable prescription drugs for seniors

Health Insurance Reforms that are Affecting You Now

- Preventive services with no deductible or co-pay
- Rate Review and MLR Rebates
- Rescissions
- Uniform Explanation of Coverage and Standard definitions
- Appeals



What is an Exchange?

A health benefit exchange is an organized marketplace for individuals and employees of small businesses to shop for health insurance based on price and quality. Individuals will also be able to apply for Medicaid coverage through the Exchange.

Like



How will buying insurance be different under the Exchange?



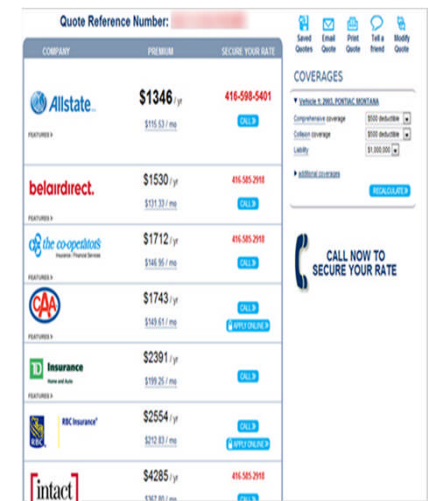
Online web portal with shop and compare tools



Call center for assistance with eligibility and subsidies



Navigators and Agents offer face-to-face customer support



Shop and Compare Tools



When will the Exchange be operational?

Open Enrollment - October 1, 2013

Fully Operational - January 1, 2014

Why is Kentucky pursuing a State Based Exchange instead of a Federal Exchange?



- Support from interested stakeholders
- Understanding of Kentucky's insurance market
- Determine benefits provided in the Kentucky's Exchange
- Direct coordination with Kentucky Medicaid program
- Consider Kentucky's unique regional and economics needs
- Understand the diversity of Kentucky's population

Kentucky Health Benefit Exchange

- Executive Order signed by Governor Beshear July 17, 2012 created the Exchange and administrative structure
- Housed in CHFS, 4 divisions with up to 30 employees
- Establishment of an Advisory Board with 11 members
- Advisory Board may create sub-committees



Kentucky's Navigator Program

- Outreach and education
- Navigators are trusted members of your community
- Training and certification
- Preserving the role of agents



In your group select....

Timekeeper – keep group moving within timeframe.

Recorder- make notes on key points of discussion to turn in at the end of the forum.

Reporter- share a key idea or ask questions from your group.

Breakout Session #1

Thinking about the Louisville community,
what will be the most effective ways of

- Getting the word out about the Exchange
- Helping people understand how it works, and
- Making sure everyone has access to the Exchange itself?

Will Qualified Health Plans (QHPs) in the Exchange be different than the insurance plans you have now?

- Levels of coverage
- Essential Health Benefits
- Consumer Protections
- A New Way to Shop



Who will qualify for premium assistance and tax credits?

- Individuals with incomes between 133% and up to 400% of the federal poverty level (FPL).
- Small businesses may qualify for tax credits if they, (1) have fewer than 25 full-time equivalent employees for the taxable year; (2) their average annual wage as a group is less than \$50,000; and (3) the employer pays at least 50% of the premium for each employee.

Example of Premium Assistance Amounts for family of four at different income levels

Percent of FPL	Annual Income	Annual Premium Before Premium Assistance	Annual Premium Assistance Amount	Annual Premium After Premium Assistance	Monthly Premium Before Premium Assistance	Monthly Premium Assistance Amount	Monthly Premium After Premium Assistance
133%	\$30,657	\$12,000	\$11,080	\$920	\$1,000	\$923	\$77
150%	\$34,575	\$12,000	\$10,617	\$1,383	\$1,000	\$885	\$115
200%	\$46,100	\$12,000	\$9,096	\$2,904	\$1,000	\$758	\$242
300%	\$69,150	\$12,000	\$6,122	\$5,878	\$1,000	\$510	\$490
Up to 400%	\$92,200	\$12,000	\$3,241	\$8,759	\$1,000	\$270	\$730

Tax credit examples continued...

Family of Four with Income of \$50,000, Purchases Benchmark Plan

The premium tax credit is generally set based on the benchmark plan. The family's expected contribution is a percentage of the family's household income.

Income as a Percentage of FPL:	224%
Expected Family Contribution:	\$3,570
Premium for Benchmark Plan:	\$9,000
Premium Tax Credit:	\$5,430 (\$9,000 -\$3,570)
Premium for Plan Family Chooses:	\$9,000
Actual Family Contribution:	\$3,570

* Source: U.S. Department of Treasury Aug. 12 2011 announcement

Tax Credit examples

Auto Repair Shop with 10 Employees Gets \$24,500 Credit for 2012

Main Street Mechanic:

Employees: 10

Wages: \$250,000 total, or \$25,000 per worker

Employee Health Care Costs: \$70,000

2012 Tax Credit: \$24,500 (35% credit)

2014 Tax Credit: \$35,000 (50% credit)

Tax Credit examples

Restaurant with 40 Part-Time Employees Gets \$28,000 Credit for 2012

Downtown Diner:

Employees: 40 half-time employees (the equivalent of 20 full-time workers)

Wages: \$500,000 total, or \$25,000 per full-time equivalent worker

Employee Health Care Costs: \$240,000

2012 Tax Credit: \$28,000 (tax credit is reduced since employees exceeds 10....approximate 12% tax credit)

2014 Tax Credit: \$40,000 (tax credit is reduced since employee exceeds 10...approximate 17% tax credit)

Breakout Session #2:

What do you look for when purchasing health insurance?

- Cost / Affordability
- Benefits
- Access to your health care providers
- Other

How can the Exchange best serve the Louisville community?

**For additional information or to submit
comments please visit
Healthcarereform.ky.gov**



The screenshot shows a web browser window displaying the Kentucky Health Care Reform website. The browser's address bar shows the URL <http://healthcarereform.ky.gov/Pages/home.aspx>. The website's header includes the Kentucky.gov logo, navigation links for Agencies, Services, and Forms, a search bar, and a link to Advanced Search. The main content area features a large banner with the text "Federal Health Care Reform IN KENTUCKY" and a background image of a horse in a field. Below the banner, there are three main sections: "What is Health Care Reform?", "What's New", and "Recently Awarded Grants". The "What is Health Care Reform?" section provides a brief overview of the Patient Protection and Affordable Care Act (PPAC) and includes links to "The Patient Protection and Affordable Care Act (PPAC)" and "Summary of PPAC". The "What's New" section lists three recent events: a Stakeholder Survey Report, an Open Meeting on Insurance Reform and Health Benefit Exchange, and a grant awarded to the Cabinet for Health and Family Services. The "Recently Awarded Grants" section lists a Level One Establishment Grant. A "Comments" section is also visible, stating that Kentucky is currently reviewing all aspects of the new law to determine the impact on the health care system. A "HealthCare.gov" logo is prominently displayed in the center of the page.

Federal Health Care Reform IN KENTUCKY

What is Health Care Reform?

On March 23, 2010, President Barack Obama signed into law the Patient Protection and Affordable Care Act (PPAC). These federal health care reforms were formed with the intent to expand coverage, to provide more health care choices, to enhance the overall quality of health care, to hold insurance companies more accountable and to lower health care costs. ... Read More

- [The Patient Protection and Affordable Care Act \(PPAC\)](#)
- [Summary of PPAC](#)

HealthCare.gov

What's New

- Fri Jun 08** **Stakeholder Perspectives on Health Benefit Exchanges**
Stakeholder Survey Report
- Tue May 01** **Open Meeting: Insurance Reform and Health Benefit Exchange**
Insurance Reform and Health Benefit Exchange Stakeholder meeting 1:00 - 3:00 pm on May 7 in the auditorium (C105) at the Transportation Cabinet (200 Mero St., Frankfort)....
- Fri Feb 24** **\$57,896,810 Awarded to the Cabinet for Health and Family Services**
The Kentucky Cabinet for Health and Family Services Office of Health Policy has received a \$57.8 million grant from the U.S. Department of Health and Human Services (HHS)...

[View More What's New](#) **GO**

Recently Awarded Grants

- **Level One Establishment Grant**

Comments

Kentucky is currently reviewing all aspects of the new law to determine the impact on the health care system.

Consumer Assistance Program Kentucky Health Insurance Advocate (KHIA)

We are committed to helping all Kentuckians better understand their options and get the information needed to make the best choices about health insurance.

We are here to **HELP**.

Here for you - being your advocate

Educating you about health insurance issues - rights - responsibilities

Letting you know your options - regardless of your circumstances, even if health insurance is unaffordable or difficult to obtain

Providing assistance with appeals - grievances - complaints

Kentucky Health Insurance Advocate (KHIA)

877-587-7222 Toll Free

<http://healthinsurancehelp.ky.gov>

DOI.CAPOmbudsman@ky.gov

502-564-5868

502-564-6090 Fax

Kentucky Department of Insurance

P.O. Box 517

215 West Main Street

Frankfort, KY 40602

For More Information:

HealthCare.gov



www.kyvoicesforhealth.org



IRS.gov



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